Breaking new ground

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in people,
Ontario's Training Strategy
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Overview

Over the past decade, Ontario's competitive position has been challenged fundamentally. Our productivity performance has not kept pace with that of our major trading partners.

Many countries have achieved both superior economic performance and enhanced labour market flexibility through planned training investment. In Ontario, the combined pressures of new technologies, global competition and industrial restructuring make training an essential response. Ontario workers must update their knowledge and develop new skills. This is true in both the manufacturing sector and the rapidly-growing service sector.

Surveys of Ontario business reveal that most firms do not make training a part of their on-going business strategy. This is particularly true of smaller firms. Cost is one factor limiting training, that is clear. But shortages of training expertise and lack of awareness of the benefits of training are also significant.

There is a vital social reward to increasing the amount of training that takes place. Historically, income gains have gone to the most productive elements or participants in production. However, gains in productivity based on an exclusive reliance on capital distort the distribution of income. By broadening access to the new tools of wealth creation, training will produce a much fairer sharing of the benefits of technology. By improving opportunities, training brings to individuals the same kinds of economic benefits that it brings to business.

Many individuals face practical barriers to training. These barriers include lack of information about career choices, prohibitive costs for child care while training, lack of opportunity with particular employers, or illiteracy. These barriers must be addressed in an effort to realize the social as well as economic benefits of training.

The Government of Canada's support in the training field has been concentrated on in-school training, long-term training, and wage subsidies for unemployed individuals. Little attention has been directed towards the critical need to upgrade and modernize the skills of the employed workforce. This provides for the Government of Ontario both an opportunity and a responsibility to assume leadership in workplace training.

Ontario's Training Strategy makes training and skills development a planned strategic investment that is essential to Ontario's future prosperity.

It recognizes the growing challenges business will face. It offers a coherent and consistent means of breaking new ground. It meets these challenges in a way that puts people first.

The training strategy has five vital components. Together, they will help Ontario regain its competitive position. Ontario is doubling its expenditure on training to $100 million to demonstrate its serious commitment to the development of human resources. Over the next five years, more than a million workers will benefit from Ontario's new skills training programs.

The foundation of the training strategy is a professional *Training Consulting Service*. This provides expert advice to Ontario firms, allowing them to take advantage of competitive training strategies.

To encourage an investment in training, the strategy provides incentives to business. The *Ontario Skills* program offers financial assistance to firms that provide training for their employees.

To help maintain a competitive skilled trades base for the economy, a *Trades Updating* program offers short-term courses to those already in skilled trades.

Training Access programs are a cornerstone of the training strategy. Their goal is to make skills training an ongoing activity of the workplace and to give Ontario workers fair and equitable access to that training. Literacy, numeracy and other basic skills training is essential to training access.

The fifth component is an *Institute for Skills Training*, to be established in 1987 in partnership with business, labour and educators. It will develop high-quality training materials and professional training personnel.

These five elements signal a commitment to make skills training an economic priority in Ontario. The training strategy will provide a source of strength for Ontario's businesses and an opportunity for Ontario's workers.

1 The need for change

Rising real incomes in open markets are the true measure of competitiveness. At the heart of competitive strength is superior productivity.

Although we still enjoy a high standard of living, our productivity performance has lagged behind that of our trading partners. Canadian productivity growth has been insufficient to provide rising incomes equitably across the labour force. *(Figure 1)*

While investments in technology and research are essential to economic growth, it is people who determine our competitive strength. Workers and management generate creativity and innovation, expertise, production and sales. Without a literate, skilled, adaptable and motivated workforce, capital and technology cannot be productive.

Research affirms the importance of human resources to superior economic development. Anthony Carnavale (Chief Economist for the American Society for Training and Development) reports that in the U.S., 75% of productivity improvements since 1929 can be attributed to advancements in education, training and health care which have improved the quality of labour.

While the precise figures on the contribution of labour can be disputed, our trading partners accept as fact the underlying relationship between human resource development and competitiveness. Around the world, ambitious industrial jurisdictions invest billions in the calibre and skill of their working people.

In a 1985 report on international competitiveness, the European Management Forum concluded that Japan has the most effective training system. Only Germany and Switzerland came close to the Japanese achievements in vocational and educational training. This successful tradition has made the introduction of new technologies and processes simpler and swifter.

The European Management Forum describes Canada's record in skills development as mediocre. Despite proven benefits of training, employer-based training activity in this country is extremely limited. Relative to

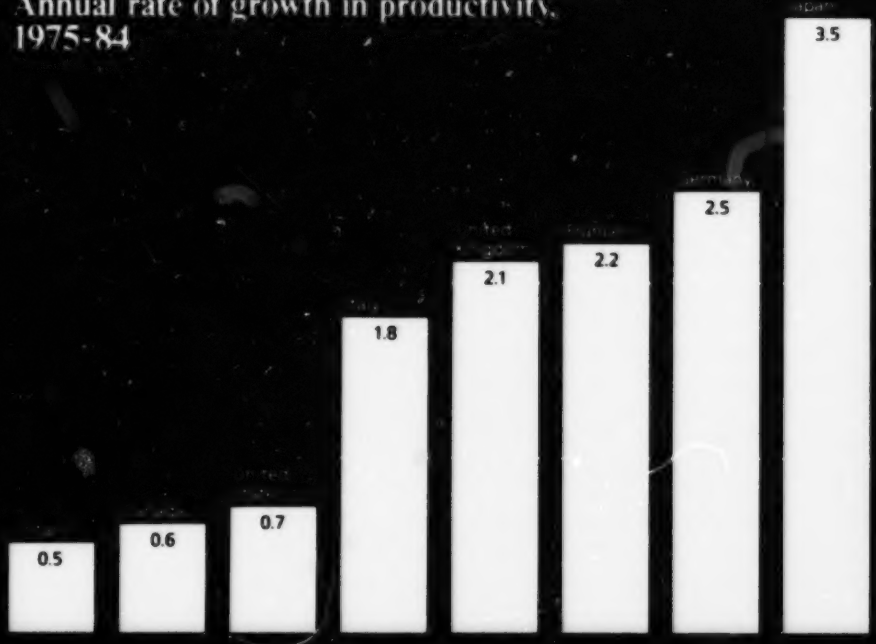
other jurisdictions, governments in Canada have not used training as a key element of economic policy. It is no surprise, then, that the EMF ranked Canada tenth in adequacy of vocational training and tenth in the flexibility of the labour force to relocate and retrain.

The skills development record of the United States is no better. This is no basis for complacency. To begin with, we can never match the extent of scientific research in America's defence infrastructure and related industries. But we can build on our long-standing comparative advantage of superior investments in public education. If we choose to, we can lead in the provision of advanced vocational training.

Industrial training strategies vary widely among our competitors. In Japan, lifetime education is the goal. The Japanese government funds and administers probably the most intensive public education system in the world. Then it maintains an environment which encourages employers and individuals to make training a continuing part of their working lives.

In West Germany, the government attempts to ensure that every worker is either qualified as a skilled worker or is a graduate of an institution of higher education. The German system is supported by a complex web of institutions: federal, state and municipal governments, research institutions, Chambers of Industry and Commerce, labour unions and employers. They all share responsibility for the policy, organization, financing and management of the system.

Figure 1 Annual rate of growth in productivity, 1975-84



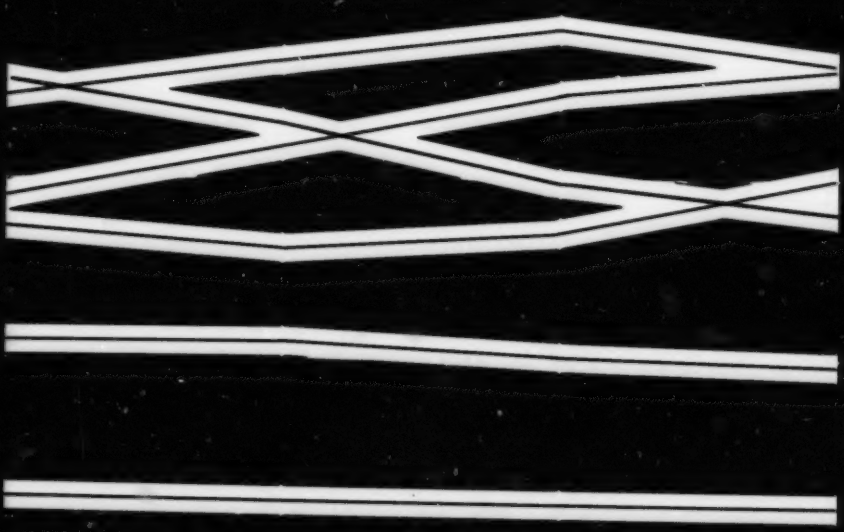
Comparisons of international training systems must be made with care. Each country's culture and traditions influence the particular choice of policy instruments and institutions. Nonetheless, there are common factors. First, those enjoying strong growth in productivity recognize the connection between training and economic performance and use it as an instrument of industrial policy. Second, there is a solid, high quality and permanent infrastructure supporting training activities. Third, there is broad access to training for both individuals and employers. Fourth, there is real co-operation between business, labour and government in skills development.

Pressures for change

The combined pressures of changing demographics, new technology, global competition and industrial restructuring make training essential. Workers in all parts of the Ontario economy need new skills and often, more sophisticated skills. This is true in both the manufacturing and service sectors.

In the past, our firms have relied on immigration and recently-educated young people to bring specialized and up-to-date skills to the workforce. The contribution to the labour force of new entrants will decline by nearly 25% over the next 10 years. As fewer young people join the labour force, we must support and emphasize adult training and retraining. *(Figure 2)*

2 Age distribution of the Ontario labour force



Our aging population gives us an opportunity for productivity improvement. By 1995, more than 50% of the workforce will be 25-44 years of age, the group most adaptable and most inclined to invest in retraining and continuing education. By the time most workers reach age 40, they have had eight jobs.

Technology is changing both the content and organization of work within many sectors of the Ontario economy. This is placing fresh demands on managers and workers alike. School leavers without basic skills increasingly will be disenfranchised from the modern workplace if they are not given opportunities for on-the-job training.

The 1986 report of the Automotive Industries Human Resources Task Force *(Automotive: Why People Count)* captures these changes in these three points.

(1) Both workers and managers must master more skills than ever before including those not expected of them in the past.

(2) Both must use these skills more frequently in their daily work and must adapt them more often to changing situations.

(3) Workers are required to have a better grasp of analytical, interpersonal and technical skills.

Changing patterns in world trade, technology and increased demand for services have drastically altered employment patterns over the past 25 years. Between 1975 and 1984 alone, employment in the service sector grew at double the speed of industries producing secondary goods. It surpassed employment growth in the primary sector by three times. *(Figure 3)*

The service sector now employs two-thirds of Ontario workers. *(Figure 4)* In the next decade, 80% of new jobs will be created in this sector, particularly in smaller business. Thus, the living standards of most Ontarians will be determined by the quality and productivity of services. As the service sector continues to grow, people must be equipped with the skills they need to excel there. Government must respond to these new realities by encompassing services in its training priorities.

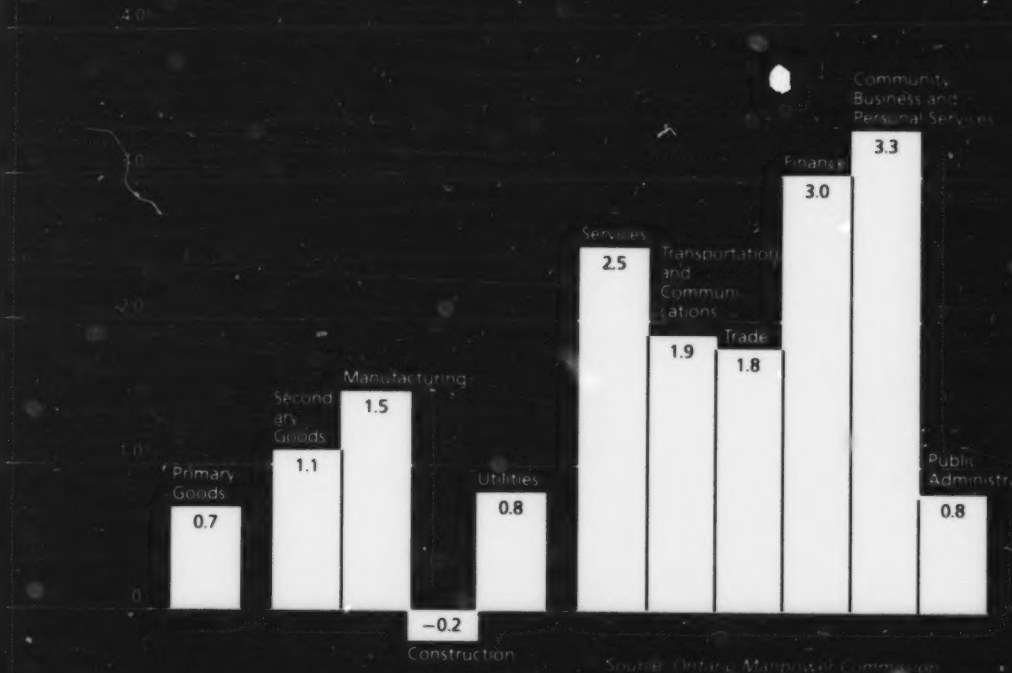
A report card

In the 1960s, only one Ontario adult in twenty had undertaken continuing education or part-time training in the previous year. By 1984, that figure had jumped to one in five, with the participation of women notably higher than men. *(Figure 5)*

Further, Ontario adults took more work-related courses than any other kind, including academic upgrading, personal interest or hobby courses. The purpose of over half of all adult education courses taken by men is to maintain or enhance work skills. The same is true for almost one-third of those taken by women. *(Figure 6)*

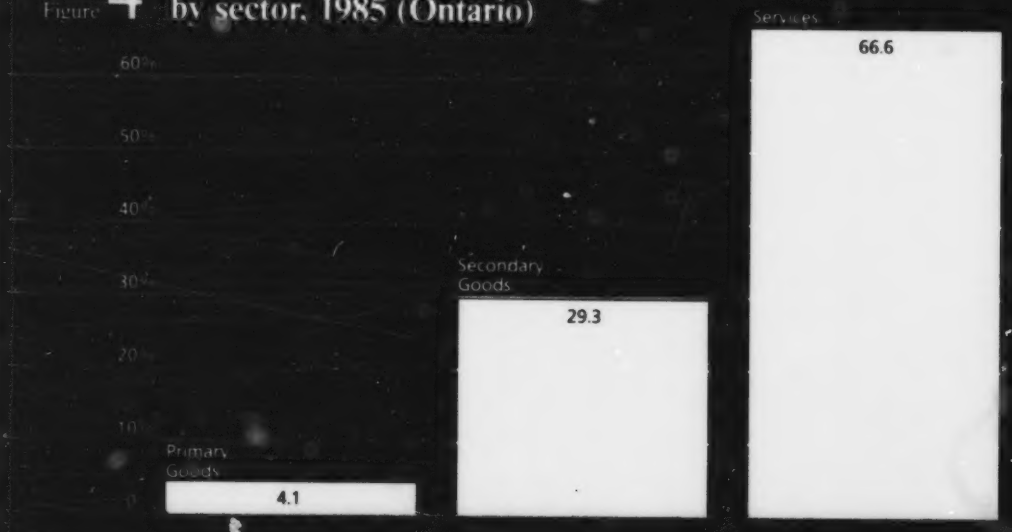
When you consider that the vast majority of these working adults paid for these courses out of their own pockets, it is clear that our citizens want

Figure 3 Average annual rate of employment growth by sector, 1975-84 (Ontario)



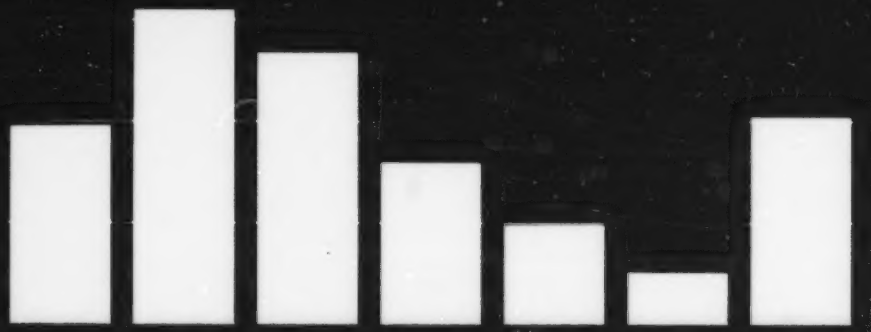
Source: Ontario Manpower Commission

Figure 4 Share of employment by sector, 1985 (Ontario)

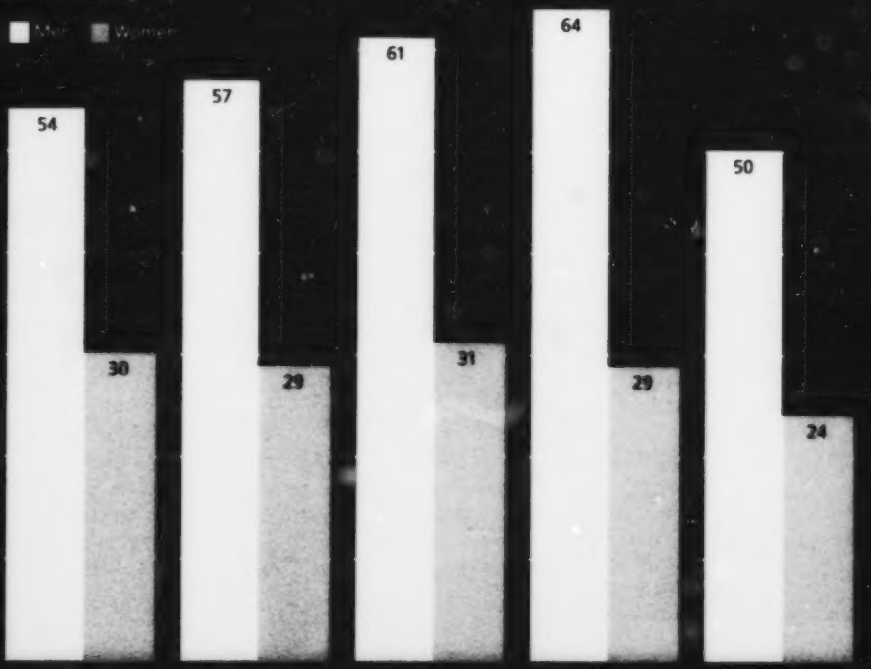


Source: Ontario Manpower Commission

5 Percentage participation in adult education by age, 1984 (Ontario)



6 Percentage share of work-related courses in adult continuing education, 1984 (Ontario)



new skills. They see learning as a way to earn higher incomes, better jobs and greater security.

Some industries make strong commitments to training. Industries which produce technically-sophisticated products such as precision instruments and electronic components have used training as a strategy in the creation and the marketing of their products.

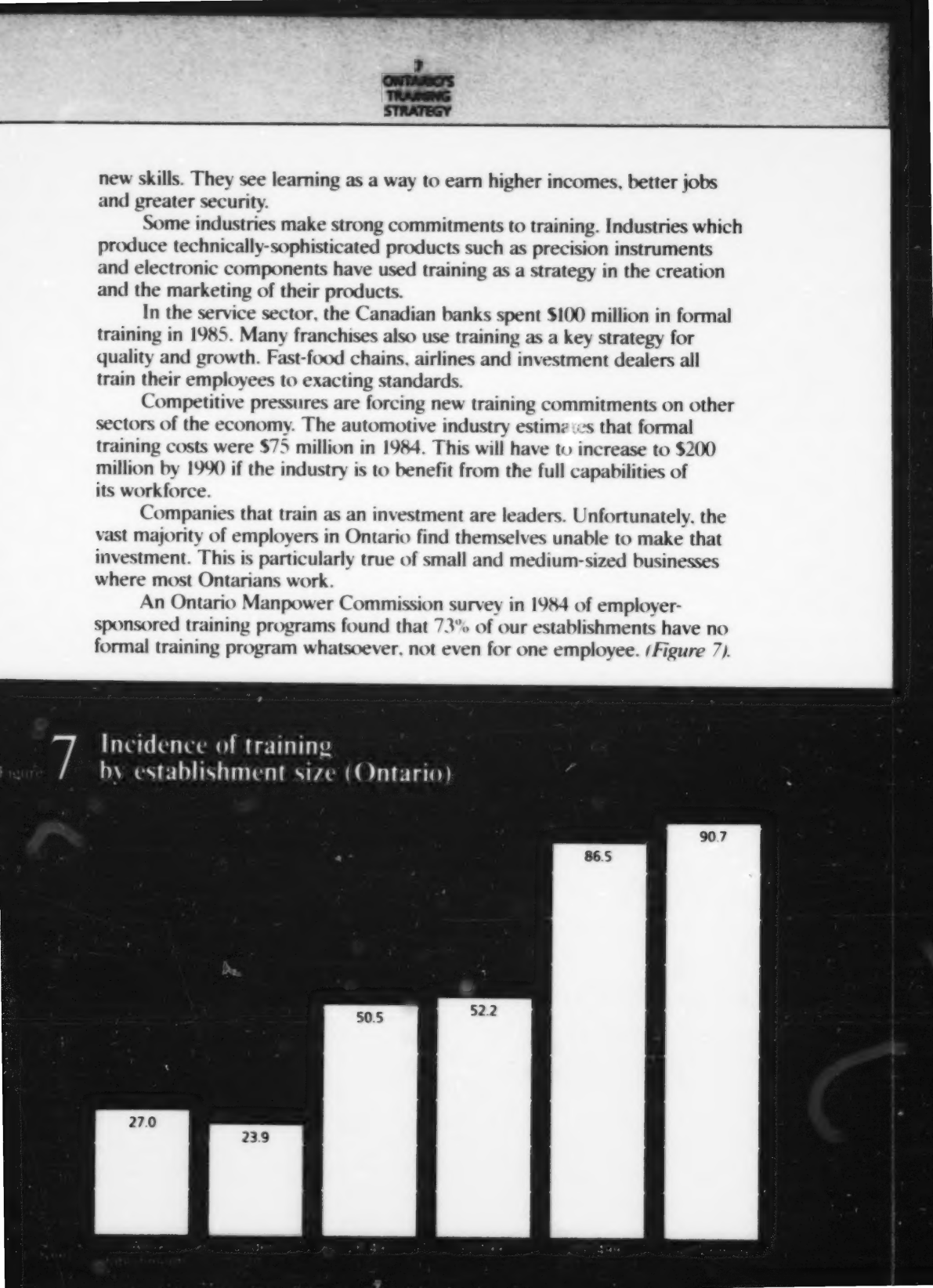
In the service sector, the Canadian banks spent $100 million in formal training in 1985. Many franchises also use training as a key strategy for quality and growth. Fast-food chains, airlines and investment dealers all train their employees to exacting standards.

Competitive pressures are forcing new training commitments on other sectors of the economy. The automotive industry estimates that formal training costs were $75 million in 1984. This will have to increase to $200 million by 1990 if the industry is to benefit from the full capabilities of its workforce.

Companies that train as an investment are leaders. Unfortunately, the vast majority of employers in Ontario find themselves unable to make that investment. This is particularly true of small and medium-sized businesses where most Ontarians work.

An Ontario Manpower Commission survey in 1984 of employer-sponsored training programs found that 73% of our establishments have no formal training program whatsoever, not even for one employee. *(Figure 7).*

Figure 7 Incidence of training by establishment size (Ontario)



Eighty-three per cent offer no formal training in general skills such as writing or management skills. Eighty per cent offer no formal qualifying or upgrading training needed for a specific job. Even where firms do offer training, only a small proportion of employees benefit.

Inequitable opportunities

Whatever the cause, employer-based training activity in Ontario is inadequate. Investments in human resources usually enjoy only passing attention in our boardrooms. Governments have not provided leadership to create a first class training system. And when they are offered, government-supported training services for workers and employers have been, for the most part, distributed narrowly and inefficiently.

Large firms are far more likely to know about government-supported training programs. Few small businesses took advantage of Ontario's long-standing Training in Business and Industry program. And little wonder: TIBI was completely unknown to 88% of establishments surveyed by the Ontario Manpower Commission. A federal program, Critical Trade Skills Training, was unknown to 93%. *(Figure 8)*

Inequality also shows in the participation of women. Although women represent 44% of the labour force in Ontario, very few can take part in government-supported training. In 1984, three-quarters of trainees sponsored by Ottawa in industrial training programs were men, as were over two-thirds in institutional programs. *(Figure 9)* Less than 33% of all the trainees under Ontario's Training in Business and Industry program and only 5% of all Ontario apprentices were women.

Other groups have fared no better. Franco-Ontarian workers and entrepreneurs have often had difficulty in taking advantage of training opportunities; so have older workers, disabled persons, Native people and new Canadians.

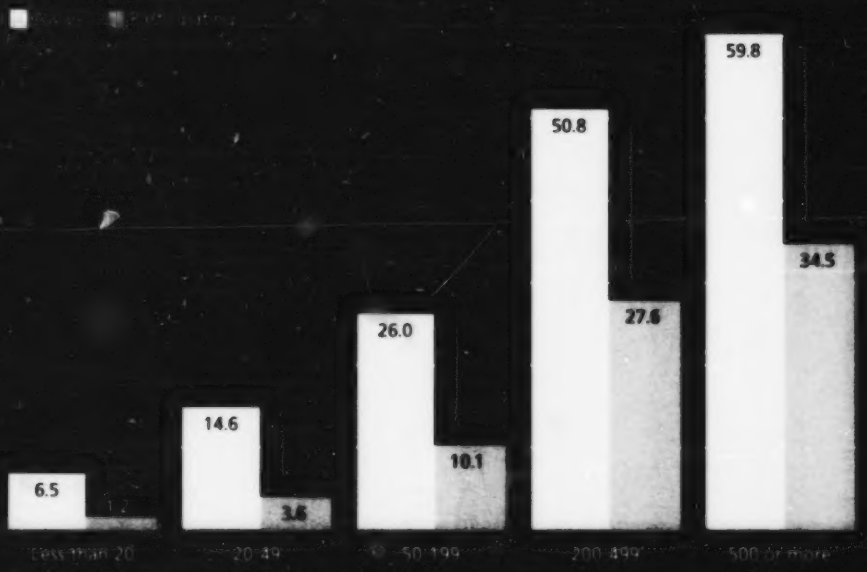
The role of the Government of Canada

The Government of Canada has introduced the Canadian Jobs Strategy to support employment and training. $388 million was spent last year in Ontario under its six programs.

Support for in-school training comes from "seat" purchases in Ontario's colleges of applied arts and technology. Unemployed persons are given "seats" there on referral from Canada Employment Centres. Federal support for workplace or industrial training involves wage subsidies to employers through the Skill Investment and Skill Shortages programs of the Canadian Jobs Strategy.

Consistent with its responsibility for income maintenance and job creation, most of those receiving training through federal government programs are unemployed. In 1984, 88.5% of institutional trainees and even 50.6% of industrial trainees were without jobs. *(Figure 10)*

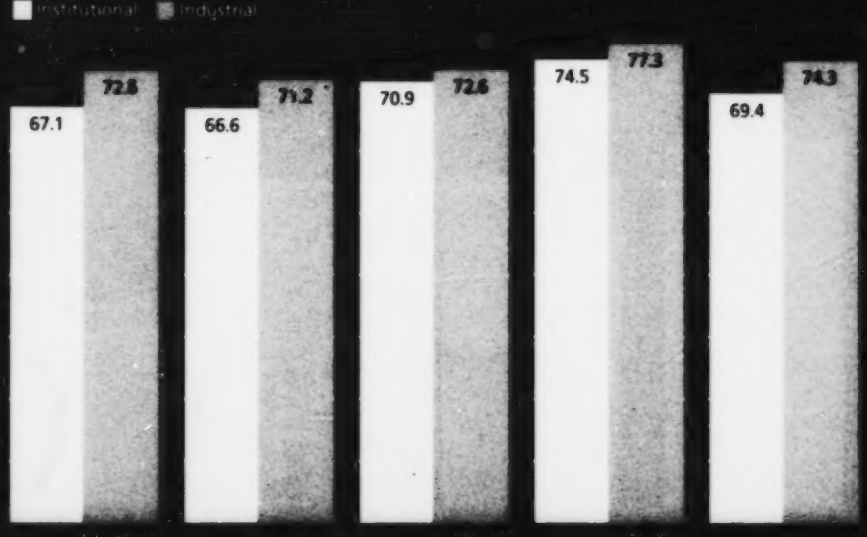
8 Awareness and participation in TIBI by establishment size, 1984



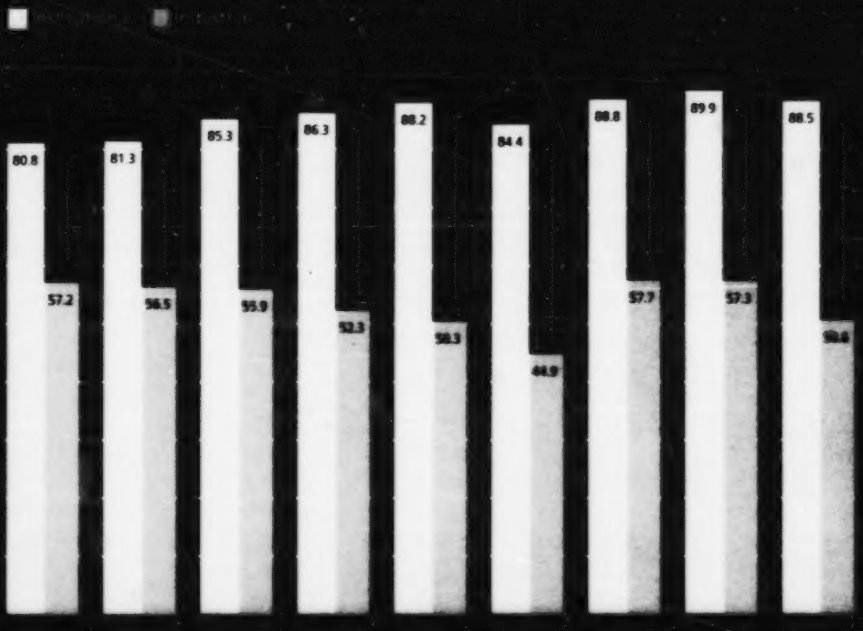
* Ontario Training in Business and Industry Program

Source: Ontario Manpower Commission special tabulations from Training in Industry: A Survey of Employer Sponsored Programs in Ontario, 1986

9 Male trainees in federally-sponsored full-time training programs – Canada



10 Unemployed individuals in federally-sponsored full-time training programs – Canada



11 Federal expenditures on industrial training in Ontario since 1982-83

Despite the recognized need for more flexibility and adaptability in the national economy, industrial training is a diminishing component of the Government of Canada's labour market policy. In the last four years, spending on that key component of its labour market programs has dropped by 45%. *(Figure 11)*

Labour market adjustment and income support programs are important to the Canadian fabric. The Government of Canada's emphasis on these programs is consistent with the division of responsibilities within our federal system. But the Government of Canada's approach to training does not complete the training agenda. In adapting to economic change competitively, Ontario must renew its responsibility to prepare a workforce second to none. The government of Premier David Peterson has determined that skills training is a provincial priority. New ground must be broken.

2 Breaking new ground

In the past, employer-based skills training was not a priority in Ontario. Our annual post-secondary education budget is $1.7 billion. Our commitment to adult skills training programs has been only $50 million. The comparison is striking since only one in three in the workforce have completed full-time, post-secondary education.

Moreover, support for skills training in Ontario has consisted of a number of programs with low profile, little coordination and, all too often, only token resources. The Ministry of Skills Development was given a mandate to review existing programs and to replace them with a coherent and competitive training strategy.

Beginning in the early 1970s, Ontario's Training in Business and Industry program was the principal source of government support for employer-based training. Under TIBI, subsidies helped employers cover the costs of training while the services of Ontario's colleges were available to assist in identifying training needs. In 1985-86, TIBI provided $24 million to support the full range of employer assistance for training.

In 1982, the Technical Upgrading Program (TUP) was introduced to improve job-entry skills and upgrade English and mathematics, particularly for women. In 1985-86, $15 million was budgeted for that program.

Another $11 million was allocated to a variety of other training support programs: Help Centres, providing job counselling to older workers in communities experiencing significant industrial change; International Marketing Interns, supporting placement of marketing graduates in the private sector to gain experience in exporting; Training Trust Funds, matching employer and employee training contributions with government funds; Ontario Training Incentives Program, providing top-up funds for the Government of Canada's long-term training incentives; Community Industrial Training Committees, local business and labour networks providing advice and initiative in identifying and meeting training needs; and Women in Skilled Trades and Technology, supporting training for women in non-

traditional occupations. These activities are being carried forward into the new training strategy.

Apprenticeship is Ontario's longest training tradition. The in-school portion of this program is supported by the Government of Canada; accreditation, administration and regulation is provided by Ontario. In our modern training system, apprenticeship will continue to have a pivotal role. To this end, Ontario is undertaking a review of apprenticeship training with the Government of Canada.

Work experience, training and upgrading programs for youth and summer students make up the balance of our existing system. Last fall the Ministry of Skills Development launched FUTURES, an innovative program that prepares disadvantaged youth for permanent jobs. A major feature of FUTURES is the offer to high school drop-outs of a one-year guarantee of meaningful work in exchange for their personal commitment to upgrade their basic education.

Agenda for change

Through FUTURES, Ontario is better focusing its investment in young people. The economic and social circumstances of the 1980s call for an equally vigorous reform of adult skills training. The past effort was insufficient and left major gaps. It failed to meet our requirements for the skills critical to a strong, competitive economy. And it was inadequate to the task of ensuring a broad distribution within the population of the benefits of technological innovation and change.

As signalled in the 1986 budget, the Government of Ontario is determined to build a training system that meets our broad economic and social objectives. For a start, we have doubled our skills training budget to $100 million annually. Over the next five years, more than a million workers will benefit from Ontario's new skills training programs.

To deploy these resources effectively, a training strategy must be disciplined by clearly-stated principles. These six principles provide cohesion to Ontario's new and re-oriented investment in skills training.

(1) Ontario needs an adaptable training system that can respond immediately to the shifting skill needs on-the-job and in the market place. Training must become a normal part of doing business in Ontario.

(2) Because they employ a majority of the workforce, Ontario needs programs that stimulate far greater participation by the service sector and small and medium-sized business.

(3) Ontario must ensure broader access to training for those previously underrepresented – for example, women and older workers – and for all regions of the province.

(4) Ontario must build a working partnership with labour and business to create high quality products and services for training.

(5) Ontario will utilize the strengths of its learning institutions and our apprenticeship and youth training traditions.

(6) Ontario must design and manage a training system which takes into account the distinct roles of the federal and provincial governments.

Ontario's Training Strategy

Guided by these principles, Ontario has designed a comprehensive training strategy made up of five services essential to our economic development objectives.

(1) A Training Consulting Service provides quality consulting on training matters for business through Ontario Skills Development Offices across the province. It provides expert advice and information on human resource development needed by Ontario firms, particularly small and medium-sized firms. The Ministry of Skills Development is establishing these Offices primarily with the colleges of applied arts and technology to ensure that the service is widely available. Funding: $15 million.

(2) Training Incentives for firms encourage greater participation in training by offsetting instructional costs. Firms undertaking investments in technology will be assisted in keeping their workers and managers up-to-date. Small and medium-sized firms will be the principal beneficiaries. Funding: $43 million.

(3) A Trades Updating program provides short-term training opportunities for individuals in the skilled trades. The program is designed to maintain competitive, up-to-date skills for industrial Ontario. Funding: $4 million.

(4) Access Programs enhance awareness of training services and overcome major barriers to training. Examples: allowances for child care and transportation; an information hotline for employers; a major commitment to overcome literacy and numeracy barriers, particularly as they relate to work. Funding: $32 million.

(5) An Institute for Skills Training to develop sophisticated and practical training products and services. These include learning materials developed in partnership with key sectors of the economy, technology-based training programs and professional development of trainers. Funding: $6 million.

These five components are described in more detail in the sections which follow.

Ontario's $100 million training commitment

Consulting service	$ 15 million
Training incentive programs	$ 47 million
Access programs	$ 32 million
Institute for skills training	$ 6 million
	$100 million

Highlights: Training Consulting Service

A *Training Consulting Service* is available from *Ontario Skills Development Offices* across the province and accessible through a *Training Hotline.*

The goal is to provide expert advice to firms to create competitive training strategies for their workers.

The service helps firms identify training needs and develop training plans. It provides guidance on sources of training instruction.

Emphasis is put on firms with fewer than 200 employees and those which have not offered training previously. The program's aim is to serve more than 10,000 firms annually.

A fund is available for the design of training packages to meet immediate local demands.

This service is supported with $15 million annually, more than double the previous commitment to consulting activities under the Training in Business and Industry program.

Training Consulting Service

Increasing participation

To train successfully, a firm must be (1) aware of its human resource needs, and (2) able to implement training strategies. The great majority of our firms have no human resource strategies and little training expertise. This is particularly true for small business.

Because smaller businesses employ the majority of Ontario workers, this has serious implications. If these firms are not training, then most of our workers lack the opportunity to develop the skills needed to meet competition and change.

Training is limited in smaller firms usually because they lack the capability. Larger firms often have in-house resources to recognize needs and plan, develop and provide training; smaller firms do not. What's more, private sector services to put training programs in place are limited. Such services as there are have tended to be for turn-key training projects for large companies.

Ontario's new training consulting service bridges the gap. It will raise awareness of the importance of training, making it more accessible to a much wider representation of employers and employees. It will also help to ensure that training meets uniformly high standards.

The province has already provided the beginnings of a consulting service in the Training in Business and Industry program delivered through the colleges of applied arts and technology. However, TIBI did not begin to address the fundamental barriers to training: lack of awareness and capability. It did not focus attention on recognizing and identifying training needs, and the weakness of private firms in this regard. It generally did not seek out smaller, non-training firms and the resulting imbalance has been shown in the poor participation of smaller firms.

In the past, employer-based training units at the community colleges received funding as a fixed proportion of the money paid to individual firms participating in TIBI. Expert advice on training was not deemed an important service in its own right.

The new program

A minimum of thirty Ontario Skills Development Offices will operate across the province. These Offices will provide a full range of training consulting services:

Needs Assessment which helps employers recognize and specify their training needs.

Training Plan Development which sets out the kinds of training needed to meet the levels of competence specified in the assessment. It takes into account experience, theoretical knowledge and technical skills, standards of performance and, if necessary, certification.

Training Plan Implementation which assists in finding the most appropriate training: on-site, in a training institution or provided by a private consultant.

Follow-up which ensures that the standards set out in the training plan are met.

As part of the province's responsibilities under the Canada/Ontario Agreement on Training, Skills Development Offices also provide support to employers and monitor the quality of the training under the Government of Canada's Jobs Strategy.

The service meets the training needs of the private sector in both manufacturing and services. Quasi-public organizations such as hospitals and municipalities are also able to benefit from the consulting services available through these Offices.

The Offices will be established primarily with Ontario's colleges of applied arts and technology. Other Offices may be established where necessary to ensure service province-wide. Targets will be set for each Office to ensure that their mission reflects regional, sectoral and socio-cultural needs. Each Office will provide for appropriate activity and staffing to ensure greater participation by smaller employers and groups currently underrepresented in training.

The Offices will work to achieve a significant increase in the number of new clients served, particularly those with fewer than 200 employees. More than 10,000 firms are expected to benefit annually, up from the previous 4,000. Two-thirds will be firms which have offered little or no training in the past, the reverse of the situation under TIBI.

Offices are encouraged to advertise their services locally and are supported with a province-wide bilingual marketing program by the Ministry of Skills Development.

Ensuring high standards

The service is based on the premise that there will be significant benefits for firms investing in training. Sharing the costs with those firms (1) provides a concrete market test of the quality of the service, and (2) sends a message to the business community on the value of training activity. To ensure the practical value of this service, businesses are asked to pay a fee of up to $250. Firms employing fewer than 50 persons are exempt.

An effective consulting service depends on the skills of its consultants. It can only be built by qualified consultants who are skilled in assessing training needs and who can link both employers and trainees with suitable trainers. The professional calibre of the consultants working out of the Skills Development Offices is a priority.

Community Industrial Training Committees across the province will continue to be funded to provide valuable advice on local and regional needs for skills development.

Training materials

Successful implementation also depends on appropriate training materials. Consultants across Ontario must have sufficient resources to meet local needs for learning materials. Situations may well arise where a firm (or firms) will identify a training need with no suitable materials available to solve it.

Funds are available to provide for the development of appropriate training materials where a legitimate market need is identified. The private sector and public training institutions can bid on the contracts to develop such materials. Funding of $1.5 million has been allocated.

Highlights: Ontario Skills

The *Ontario Skills* program provides Ontario firms with financial assistance for direct instructional costs of training or upgrading.

The goal is to encourage employer-based training through subsidies similar to those which support other investments. Subsidies reduce an employer's costs and risks associated with training.

Firms which employ fewer than 200 workers are eligible for subsidies of 80% of costs; over 200, the rate is 60% with a ceiling in both cases of $60,000.

At least half of the incentive is allocated to firms employing fewer than 200 people.

The number of workers benefiting from *Ontario Skills* will double to 180,000 annually.

The program is accessed through a *Training Hotline* and the training consulting service.

Funding for *Ontario Skills* is $33.6 million, double the previous commitment to employer subsidies under the Training in Business and Industry program. Including other smaller programs which are carried forward into the new training strategy, total funding for skills incentives will be $43 million annually.

Ontario Skills

Ontario's role in training

Governments in Canada have acknowledged that training is an important tool of economic development and trade adjustment policy but all too often the resulting policies belie this proposition. The Government of Canada has provided training opportunities as part of its programs for the unemployed. Far too little attention has been paid to maintaining and enhancing the skills of our employed workforce.

The challenge facing Ontario is to develop a "training culture" which matches that of our competitors. Barriers of cost, expertise and information that prevent factories and offices from implementing training must be removed. Government must play a vigorous role in providing services which help overcome these barriers. This public contribution can be supported on a number of grounds.

First, as governments articulate society's social objectives, they must also undertake measures that contribute to a more productive labour force. A public policy must give equal weight to its investment in human capital and its investment in physical capital. Similarly, equity, as well as economics, demands that we support skills training along with our considerable funding of the formal education system.

Finally, government assistance is appropriate to help compensate for the risks taken by firms that train. Because our workforce is highly mobile, benefits often accrue not only to society at large but to competing firms that hire workers trained elsewhere. In fact, approximately one-third of firms with more than 200 employees have openly stated that they prefer to recruit qualified workers rather than train their existing personnel.

In the past, the larger firms have received most of government's financial support for training. More than 57% of companies with 500 or more employees have benefited from government funding. Less than one-third of all companies with fewer than 200 employees have done so.

Nevertheless, government support is a vital factor in the training decision for smaller firms. The proportion of the total training budget funded by government gets larger as the size of the company gets smaller. The majority of the smallest companies undertaking training said that government funding accounted for more than 40% of their training expenditures. Funding for

training must be directed at those firms which need it most, that is, where the largest increases in training activity can be expected. *(Figure 12)*

Another measure of success will be the range of sectors supported. The manufacturing sector will rely on training to adjust to new technologies and growing international competition. As the service sector increases its contribution, training will be essential to a smooth transition to an economy in which service industries have growing importance.

Changing skill requirements mean that workers will need a better grasp of basic math, reading and writing skills, analytical, interpersonal and technical skills. These can be specific to a trade, a process or a piece of equipment. The training strategy must respond to all these needs.

The new program

Ontario Skills encourages firms to provide training for their employees by lowering the costs of training. The program provides grants against a portion of the direct instructional costs of training. This greatly simplifies the subsidy procedure relative to previous programs and thereby should increase participation.

Figure 12 **Extent of training activity supported by government funding**
(percentage of establishments)

Employment Size	Under 20	20-49	50-199	200-499	500 or more
Portion of budget funded by government					
1-10%	0	5.2	8.7	16.1	29.7
11-20%	2.2	8.2	5.8	7.4	9.9
21-30%	6.7	0	5.8	4.0	7.7
31-40%	0	2.1	2.4	8.1	2.2
41-50%	10.1	8.2	3.4	5.4	6.6
50+%	10.3	8.3	4.7	3.3	1.0
Total receiving funding	29.3	32.0	30.8	44.3	57.1

Source: Ontario Manpower Commission, special tabulation from *Training in Industry: A Survey of Employer Sponsored Programs in Ontario, 1986*

For firms with fewer than 200 employees, up to 80% of the direct training costs are supported. For those with 200 or more employees, up to 60% of such costs are eligible. The maximum annual grant to any firm is $60,000. However, the grant will be larger where employers work co-operatively to meet common training needs.

Direct instructional costs include fees for outside instructors and courses; salary costs of an employee who serves as a trainer; costs of learning materials (including computer-assisted instructional materials); fees for correspondence courses; and rental costs directly related to the training.

Where a commitment to training imposes a particular personal burden, an employee in training can also be eligible for support allowances for travel, accommodation and child care.

An important objective of the program is the increased participation of small and medium-sized companies. Therefore, at least half of the total fund is targeted to firms with fewer than 200 employees.

The program supports training in a wide range of occupations and skills. In general, training will be supported in skills which are (1) portable for the employee and (2) enhance the productive capacity of the employer. Literacy and numeracy training in the workplace will be encouraged.

Special support will continue in matching employer and employee contributions to trust funds which have been set aside to meet specific training needs. The International Marketing Interns program is also maintained.

To provide wider access, the programs will be marketed province-wide in both English and French.

Highlights: Trades Updating

The *Trades Updating* program provides an opportunity for workers in the skilled trades to upgrade their knowledge as technologies change. It is available across the province for trades such as construction, automotive and electrical.

It is offered primarily through Ontario's colleges of applied arts and technology.

Once courses are designated, access will be provided through the Ministry's apprenticeship branch and appropriate trade unions.

Funding for this incentive program for 1986-87 is $4 million.

Trades Updating

Keeping up

Under the Ontario Apprenticeship and Tradesmen's Qualification Act, the government oversees the development of standards for highly skilled workers in more than 600 occupations as they enter the workforce. However, not enough attention has been paid to making sure these vital workers retain current, marketable skills throughout their working lives.

The skill base of existing journeymen in Ontario has not kept pace with advancing technology. To some extent, this reflects the nature of the development process for apprenticeship programs. One aim of apprenticeship is to provide trainees with a broad range of generic skills of value to job sites anywhere in Ontario. Apprenticeship training documents are comprehensive and require a detailed development process. They are not likely to be revised for several years and may not take account of the latest technology. Consequently, in the past, apprenticeship programs have been relatively slow to adapt to changes in technology.

Within the skilled labour force there are also many individuals who, though they received comprehensive training early on, have specialized in specific areas of a trade at the price of neglecting others. Such people suffer from shifting job markets.

Lack of a systematic upgrading effort in a rapidly changing environment weakens our labour market. Older workers may become less effective and may be displaced unnecessarily. In such circumstances, we lose their valuable core skills. What's more, on-the-job instructors who lack the most up-to-date skills can seriously undermine the quality of training in our apprenticeship system. Out-of-date skills are perpetuated.

By offering high quality, short-term training courses, the Trades Updating program makes certain our skilled workers master the new skills so necessary in a changing economic environment. Their skills will remain both competitive and marketable. The initiative also gives employers access to the skills necessary to their future competitiveness.

The new program

Employed and unemployed persons in the skilled trades across the province are eligible for recognized training courses offered in selected trades. The program is offered primarily through Ontario's colleges of applied arts and technology. Courses will average between 30 and 60 hours and both full and part-time courses are available to provide maximum flexibility.

Advice on the current needs of each trade comes from three sources: the provincial apprenticeship advisory network, Ministry of Skills Development apprenticeship consultants and college training staff.

Workers in training are assessed at the end of each course on a pass/fail basis. Successful candidates receive accreditation from the province.

To ensure full participation, Ontario will negotiate with the Government of Canada to make sure that unemployed journeymen continue to collect UI payments during training. Funds for accommodation, child care and transportation will be provided by the Province where needed. Journeymen will access this program through their union or regional apprenticeship office of the Ministry of Skills Development.

Highlights: Access to Training

The goal of *training access* programs is to broaden opportunities for training in communities across Ontario.

Ontario Basic Skills equips workers with the job-entry and basic literacy and numeracy skills essential to gaining employment or further training.

Allowances are available to participants in Ministry training programs to help cover expenses for child care, transportation and accommodation.

Information programs will raise awareness of training opportunities. A Training Hotline provides access to training services for employers.

A *special project fund* is available to permit innovative approaches to training and to meet special access needs.

Funding for access programs is $32 million annually.

Access to Training

Real barriers to skills training do exist. They prevent both workers and firms from taking advantage of new opportunities. Fair and equitable access to training is essential.

Competence in basic skills

Both literacy and basic mathematics are indispensable building blocks of skills development. Far too many Ontario workers lack these basic skills. Twelve per cent have less than grade nine education; they often do not have the basic skill levels essential in a technological world. Furthermore, in an information economy, basic skills go beyond simple math and reading and writing skills. For instance, they include computer literacy and communications skills.

The Ontario Basic Skills program helps our workers adapt successfully to a changing world of work.

Special assistance to trainees

Workers contribute their time to adult education because it is an investment in themselves. However, many individuals face costs that effectively make it impossible to undertake this investment. Government has a role in addressing these inequities.

Family responsibilities and other barriers can discourage adults from pursuing training programs. For example, women often do not enrol simply because they cannot afford child care. Transportation and accommodation costs are constraints for others. Residents of remote communities and disabled persons can face transportation expenses which make training impractical.

Ontario will lower these financial barriers by providing funds for child care, transportation and accommodation against a declared need.

Better visibility

Awareness of training opportunities is extremely low. A greater commitment to training depends, in part, on the ease with which business is able to obtain pertinent information. There are not enough private sector consultants to provide this information; nor has the demand been great. Firms, particularly smaller ones, have not established training as part of their business strategy.

Through a province-wide marketing and public education program as well as the training consulting service, Ontario will help employers and workers gain a better understanding of the benefits of training.

The new programs

Access programs help ensure fair and equitable access to training in Ontario. They help workers equip themselves with basic literacy and numeracy skills essential to further training or employment; reduce financial barriers that discourage many adults from undertaking training; and raise awareness of the benefits of training.

Ontario Basic Skills

The Ontario Basic Skills program helps individuals upgrade primary job-entry skills and work-related literacy and math skills. The program is funded with $25 million annually. This is $10 million more than what was devoted previously to such activities under the Technical Upgrading Program.

Both the program and its delivery must be diversified in order to meet the equally diversified needs of adults for basic skills. Course development funds are available to Ontario's colleges of applied arts and technology and to community groups, unions and employer associations showing competence in literacy and numeracy upgrading. In addressing the literacy problem, the Ontario Basic Skills program will work closely with other Ontario ministries. In particular, it will support the Ministry of Citizenship and Culture which has lead responsibility for Ontario government assistance to community literacy groups.

In the workplace itself, literacy and numeracy training is encouraged through the financial incentives of the Ontario Skills program.

Training support allowances and special access programs

For the first time, the province is providing support funding to assist participants in Ministry of Skills Development training programs, both full and part-time. Based on declared need, support is available within each training program to help cover costs for child care, transportation and accommodation. Priority consideration will be given to trainees in the Ontario Basic Skills program and to residents of Northern Ontario. Funding for this program is $3.2 million.

In addition, $1.2 million is available for special access projects for specific groups and communities. This special projects fund permits experimentation with innovative approaches to training.

Help Centres at the community level will continue to provide counselling and job-search support to older workers who are unemployed.

Improving access

Our Ontario Skills Development Offices will work to increase participation in training, particularly of small employers and new trainers. They also have a responsibility to help employers improve access for groups currently under-represented in the training process. For example, they advise employers that support allowances are available for trainees with financial needs.

A bilingual Training Hotline serves as a central source of information and referral to training services for employers.

Institutional inflexibility in program design can reduce the ability and desire to participate in training. For example, programs which fail to recognize the accumulated experience of older workers discourage retraining. In future, Ontario's training initiatives will be designed to accommodate special training needs. Ontario will ensure that content, prerequisites, location and fees are as flexible and sensitive as possible to the needs of small business, special needs groups and the adult learner.

Ontario will launch a comprehensive $1.3 million information campaign to inform both employers and the general public of the benefits of training. Employers and workers in both the English and French-speaking communities across the province will have far greater awareness of skills training and the support programs available from the government.

Highlights: Institute for Skills Training

An *Institute for Skills Training* will provide a vehicle for building a quality training system. It will signal that training is a priority in Ontario.

This Institute will work in partnership with business, labour and educators.

It will develop sophisticated training products, services and techniques by:

(a) maintaining a *Skills Bank* which will provide high quality and accessible training materials to employers;

(b) supporting the development of leading-edge training technology with a *Skill-Technology fund;*

(c) improving professional development courses for both training instructors and consultants;

(d) providing expert labour market analysis and research.

The Institute is supported with $6 million.

Institute for Skills Training

Partnership

If an increase in training activity itself is essential to our competitiveness, then it follows that an improvement in the quality of training is also critical. Quality training depends on a sophisticated and competitive training infrastructure, including qualified training consultants and trainers supported by relevant training materials.

Government can provide leadership in developing policy and programs for the training needs of Ontario firms and workers. However, private sector participation is essential to their quality, relevance and flexibility. The Institute for Skills Training will be a partnership of business, labour and educators.

The Institute will operate under the guidance of a tripartite board of directors reporting to the Minister of Skills Development and composed of leaders from small and large business, labour, and education. It will incorporate the labour market analysis, research and advisory functions of the Ontario Manpower Commission.

High quality training materials: a Skills Bank

Ontario is a world leader in formal education but we have not made a similar commitment to an effective system of workplace training. Significant weaknesses are evident. For example, the range of new skill needs has created training demands for which there is a critical shortage of training materials.

Training materials common to all industries are essential. So too are those unique to certain industries. A sectoral approach is the most effective way to identify needs that reflect industry-specific changes.

A Skills Bank will co-ordinate the production of training materials for tasks in demand across particular sectors. It is an innovative approach which improves access to training materials for a large number of employers. At first, a short list of sectors will be designated. The list will reflect those sectors representing distinct economic interests, experiencing significant competitive pressures, or anticipating growing market opportunities.

The Skills Bank will rely on advisory groups representing labour, management and education to direct the production of sectoral training

materials. These groups will identify specific training needs relevant to many employers in their sector. They will specify the scope and standards of performance. Training materials will be created by experts from either the private sector or the public education sector who will be selected through an open bidding process.

The bank will also develop learning materials for new skills which are growing in importance across all sectors. These include problem-solving skills, communications and interpersonal skills, computer literacy, technology management for small business, and supervisory and human resource management skills generally.

Simply stimulating the development of new training materials and training techniques is no guarantee of a successful training system. Employers and trainers must be aware of the system and must know how to tap into it. As well as the responsibility for producing new training materials, a Skills Bank will act as an information centre on a wide range of training materials and techniques.

The bank will offer information on training programs and courses developed by the bank itself, by colleges and universities, and by private sector training specialists. This will be made available through a computer network accessible to employers and Ontario Skills Development Offices. The bank will also release information on computer-assisted learning projects funded through the Skill-Technology program.

Innovative training techniques: a Skill-Technology fund

Our training system can be enhanced if the training programs incorporate modern teaching methods. A significant potential already exists: new technology itself can be used as a tool for teaching skills. Computer software, videotapes and videodiscs can increase both accessibility and flexibility in training.

Application of new technologies lowers the cost to employers. It increases the speed at which employees acquire new skills. For example, the American military – known to be a sophisticated trainer – found that trainees taught with new technologies learned complex skills in less time and at 30% less cost than those taught by conventional methods.

The diffusion of technology-based training has been very slow. The financial investments needed for hardware and the lack of available software have meant that both employers and training specialists have been reluctant to adopt it.

The Institute for Skills Training will establish a Skill-Technology fund which will encourage the use of technology-based training.

This fund will support the development of leading-edge technology for training. On the advice of a tripartite panel, the program will provide funding for research and development, adaptation, testing, packaging and implementation of such skills training programs. Up to 80% of costs are eligible for support. (Note: development or purchase of hardware will not be an eligible cost.)

Priority will be given to projects with a clear market use or which emphasize portable skills. A major function of the program is to demonstrate the efficiency of technology-based training to businesses, particularly smaller ones.

An effective corps of trainers

The quality of training depends on the quality of those who provide advice and instruction. While a number of programs now provide training for trainers, there is significant variation in content, intensity and duration of these courses. There is little co-ordination to provide a comprehensive and accessible source of professional development.

As the demand for training grows, so will the importance of an effective body of trainers and training consultants. The Institute for Skills Training will help provide practical professional development services. It will co-ordinate the available train-the-trainer courses in the province and it will begin to develop a standard, accessible curriculum of courses for training specialists. This program will outline the competencies required of training specialists: the roles of instructors, designers of instructional materials, training consultants, researchers and counsellors.

Research and labour market analysis

Research and forecasting provide a solid base from which to target and promote the training activities to be developed by the Institute for Skills Training. The research capacity of the Ontario Manpower Commission will be folded in to support the objectives of the Institute. For example, research efforts will be co-ordinated with the sectoral activities of the Skills Bank. The Institute will also maintain broader labour market analysis responsibilities and will be an ongoing resource to the government in developing appropriate training policies which respond to changing times.

For further information on Ontario's Training Strategy write:

Ministry of Skills Development
Communications Branch
11th Floor
101 Bloor Street West
Toronto, Ontario
M5S 1P7

Or call the Training Hotline:
1-800-387-5656

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